

Should Legal Immigrants Receive Public Benefits?

The 1996 Welfare Reform law restricted legal immigrants' access to public benefits including Temporary Assistance for Needy Families, Supplemental Social Security Income, Food Stamps, and Medicaid. Since the passage of the 1996 welfare reform law, eligibility for certain benefits has been restored. However, as reauthorization of the 1996 law approaches, further restorations of benefits is a major policy issue up for consideration. In order to examine the effects of the 1996 welfare reform law changes for legal immigrants as well as to look at policy options for the future, the Brookings Institute's Welfare Reform and Beyond held a forum entitled *Should Legal Immigrants Receive Public Benefits* on February 28, 2002.

Summary of 1996 Welfare Law Provisions for Legal Immigrants

Shawn Fremstead, Senior Policy Analyst at the Center on Budget and Policy Priorities, provided an overview of statutory and legal requirements related to immigration before and after TANF enactment. Under PRWORA, legal immigrant eligibility restrictions were part of a larger immigrant title that made comprehensive changes affecting immigrants' eligibility and access to benefits. The law made two fundamental changes in legal immigrants' eligibility for major safety net and work support programs:

- Immigrant eligibility restrictions that were previously applicable to undocumented immigrants were extended to local immigrants.
- States were given new authority to adopt eligibility restrictions that discriminated on the basis of status as a legal immigrant.

After the 1996 law was passed, subsequent legislation changed some of the restrictions on pre-enactment immigrants' eligibility for benefits. These changes included restoring SSI for pre-enactment immigrants in 1997. There were also limited restorations for pre-enactment immigrants in 1998.

Mr. Fremstead also talked about the current eligibility restrictions for pre-enactment legal immigrants and post-enactment legal immigrants. Pre-enactment legal immigrants, immigrants who came to the U.S. before August 22, 1996, generally remained eligible for Medicaid, TANF, and SSI. The food stamp program has more restrictive eligibility time limits than the other benefit programs. Most pre-enactment immigrants are ineligible for food stamps until they become citizens or can be credited with 40 quarters of work. Post-enactment legal immigrants, legal immigrants who entered on or after August 22, 1996, are generally ineligible for TANF, Medicaid, Food Stamps, and SSI until they become citizens or can be credited with 40 quarters of work. However, states have the option to provide TANF and Medicaid for legal immigrants who have resided in the U.S. for more than five years.

Expanded "sponsor deeming" requirements serve as an additional eligibility barrier for many post-enactment legal immigrants. PRWORA expanded sponsor deeming to health care, and required deeming until citizenship or 40 quarters of work.

Affects of Participation in Benefit Programs and State Policy Choices

Mr. Michael Fix, Principal Research Associate at The Urban Institute, reviewed current research on immigrant participation in public benefit programs as a result of the 1996 provisions and state policy choices under the 1996 law.

Mr. Fix provided statistics on the demographic context of immigrants. Immigrants make up one in nine Americans and 25 percent are low-wage workers. Children of immigrants make up 20% of all children and 25 percent of low-income children.

Mr. Fix also talked about the Urban Institute's analysis of 1995 and 2000 Current Population Survey (CPS) data to determine immigrant participation in public benefit programs. The following was revealed in the analysis:

- A decline in legal alien participation in the TANF, SSI, Food Stamps, and Medicaid programs.
- 85% of children with legal immigrant parents are less likely to receive benefits than poor children of citizens.
- A comparison between legal alien participation in benefit programs to citizens showed that immigrant families are less dependent on welfare than natives.
- A sharp decline in the participation rate of refugees. Refugees are a protected population under welfare reform and as a result are able to retain their eligibility for federal benefits for seven years after entry.
- A growing geographic disparity. Declines in immigrant participation in programs were highest in states that offer the least generous safety nets such as Texas and Florida. However, these states had a significant increase in immigrant population growth between 1995 and 2000.

Mr. Fix ended his presentation by providing an overview of the main findings of the Urban Institute's analysis of immigrant participation in public benefit programs. These findings include:

- Immigrant declines in all means tested programs
- Poor immigrants with kids use less TANF benefits and food stamps versus natural citizens
- There are high levels of uninsurance among immigrants and even among citizen children of immigrants
- There have been steep declines in refugee participation in public benefit programs
- Naturalization and income gains do not explain most of the decline in participation rates.

Policy Makers Panel

During this session, two members of Congress, Representative Xavier Becerra (D-CA) and Representative Thomas Tancredo (R-CO) presented arguments for maintaining the existing restrictions and for restoring eligibility for benefits. Eric Bost, Under Secretary of Agriculture for Food, Nutrition, and Consumer Services, U.S. Department of

Agriculture discussed the President's proposal to decrease restrictions on food stamps for non-citizens.

Congressman Becerra presented information about why eligibility benefits should be restored. He talked about the myth of welfare as a magnet for immigrants to come to the United States. Congressman Becerra said that of the 19 new growth states, 14 do not provide supports to immigrants. He also talked about how immigrants give more than they receive which is evident by the large number of immigrants serving in the armed services. The realities of immigration include working and making a home. Among immigrants aged 16 and older, 80% are in the labor force compared to 70% of citizens.

Representative Torcido presented arguments for keeping the current restrictions on eligibility for benefits. One main argument is the fiscal issue around providing benefits to immigrants. Congressman Torcido questioned the fiscal prudence of the decision to provide benefits to immigrants. Before 1996, the US was spending \$8 billion dollars per year on benefits for immigrants. He also disputed the statistics on declines in immigrant participation in benefit programs. Representative Torcido provided information that said that among immigrants from Mexico, it was found that 14.8% participate in a major means tested program.

During this session, Eric Bost talked about the current administrations proposal to extend eligibility requirements to immigrants for food stamps. The number of immigrants using food stamps has declined from 80% to 46% after welfare reform. Many states are using their own dollars to provide benefits to immigrants.

The President has proposed restoring food stamp benefits to legal immigrants. 2.1 billion dollars in food stamp benefits would be provided over a ten-year period to those who met requirements. The administration wants to ensure that children have adequate nutrition. Under the proposal, legal immigrants would be eligible to apply for food stamps if they have been in the U.S. for five years. Immigrants also must be working in order to receive food stamps.

Policy Options Panel

In this panel, participants presented various policy perspectives on legal immigrants and public benefits.

Ms. Cecilia Munoz, Vice President, Office of Research, Advocacy, and Legislation at the National Council of La Raza, talked about the assumptions in the mid 1990s. These assumptions included immigrant's unfiltered access to a safety net and the political vulnerability in terms of immigrants not voting.

Mr. Dan Stein, Executive Director, Federation for American Immigration Reform discussed the proposal for an enforceable sponsorship pledge. He also talked about how the welfare reform law was supposed to ensure improved federal and state cooperation.

However, this isn't being seen. Finally, he discussed the issues of welfare as a magnet for immigrants to come to the U.S.

Ms. Shari Steisel, Federal Affairs Counsel and Senior Director, Human Services Committee, National Conference of State Legislatures talked about the financial commitments states are making to provide benefits to immigrants. According to Ms. Steisel, 17 states are currently using their own funds to provide food stamps to immigrants. States have also increased allocations to food banks to serve immigrants. The Center for Budget and Policy Priorities found that only one state denies Medicaid benefits and no State denies TANF benefits to legal immigrants. These facts and statistics show the cost shift to states. The Administration's food stamp proposal would ease some of the financial burdens that states are taking on in order to provide benefits to immigrants.